

DOCKET FILE COPY ORIGINAL

WC 08-89

STAMP & RETURN

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

Received US Bank
REMITTANCE ADVISE
FORM 159

JUN 10 2008

Gov't. LBX Operations

Approved by OMB
3060-0589
Page No. 1 of 1

(1) LOCKBOX # 979091		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) ION HoldCo, LLC		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00	
(4) STREET ADDRESS LINE NO. 1 5 Rockingham Street			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Bellows Falls		(7) STATE VT	(8) ZIP CODE 05101
(9) DAYTIME TELEPHONE NUMBER (include area code) 802-460-9123		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0017845496		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME ION HoldCo, LLC			
(14) STREET ADDRESS LINE NO. 1 5 Rockingham Street			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Bellows Falls		(17) STATE VT	(18) ZIP CODE 05101
(19) DAYTIME TELEPHONE NUMBER (include area code) 802-460-9123		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0017845496		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID Domestic 214	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE \$965.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE _____ DATE _____			
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX <input checked="" type="checkbox"/> DISCOVER _____ ACCOUNT NUMBER _____ EXPIRATION DATE _____ I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described. SIGNATURE <i>Jennifer Kestya</i> DATE 6/19/08			

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

JULY 2005

MORRISON | FOERSTER

1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104-0050

TELEPHONE: 212.468.8000
FACSIMILE: 212.468.7900

WWW.MOFO.COM

MORRISON & FOERSTER LLP

NEW YORK, SAN FRANCISCO,
LOS ANGELES, PALO ALTO,
SAN DIEGO, WASHINGTON, D.C.
NORTHERN VIRGINIA,
ORANGE COUNTY, DENVER,
SACRAMENTO, WALNUT CREEK
TOKYO, LONDON, BEIJING,
SHANGHAI, HONG KONG,
SINGAPORE, BRUSSELS

June 9, 2008

Writer's Direct Contact
212.336.4252
JKostyu@mofocom

By Overnight Delivery

Wireline Competition Bureau
Federal Communications Commission
c/o U.S. Bank
Government Lockbox #979091, SL-MO-C2-GL
1005 Convention Plaza
St. Louis, MO 63101

ATTN: FCC Government Lockbox

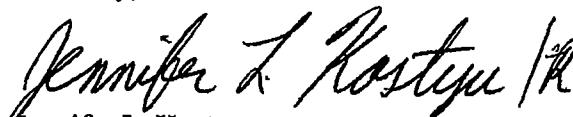
Re: Filing Fee for Domestic Section 214 Application to Assign Assets of Empire State
Independent Network, LLC to ION HoldCo, LLC

Dear Sir/Madam:

On behalf of ION HoldCo, LLC ("ION"), enclosed please find a completed Form 159 with a credit card payment in the amount of \$965.00 in satisfaction of the required filing fee associated with an application to assign the assets of Empire State Independent Network, LLC ("Empire") under its blanket domestic Section 214 authority. Pursuant to Section 63.04 of the Commission's rules, on June 9, 2008, ION and Empire filed electronically a joint international and domestic Section 214 application through the FCC's International Bureau Filing System ("IBFS").¹ The technical parameters of IBFS and the FCC's on-line fee payment system, however, allow only for the payment of the filing fee associated with the international Section 214 portion of the application – not the domestic Section 214 portion of the application. Accordingly, the filing fee associated with the domestic Section 214 portion of the application is enclosed.

Should you have any questions regarding the joint application or the enclosed payment, please contact the undersigned.

Sincerely,


Jennifer L. Kostyu

Enclosures

¹ A copy of the electronic filing is attached.

Approved by OMB
3060-0686

INTERNATIONAL SECTION 214 AUTHORIZATIONS FOR ASSIGNMENT OR TRANSFER OF CONTROL FCC 214 MAIN FORM FOR OFFICIAL USE ONLY	FCC Use Only
---	--------------

APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:
Empire Section 214 Assignment to ION

1. Legal Name of Applicant

Name:	ION HoldCo, LLC	Phone Number:	802-460-9123
DBA Name:		Fax Number:	802-460-8123
Street:	5 Rockingham St.	E-Mail:	rkendall@sover.net
City:	Bellows Falls	State:	VT
Country:	USA	Zipcode:	05101 -
Attention:	Richard Kendall		

2. Name of Contact Representative

Name:	Cheryl A. Tritt	Phone Number:	202-887-1510
Company:	Morrison & Foerster LLP	Fax Number:	202-887-0763
Street:	2000 Pennsylvania Avenue, NW Suite 5500	E-Mail:	CTritt@mofo.com
City:	Washington	State:	DC
Country:	USA	Zipcode:	20006-
Attention:		Relationship:	Legal Counsel

CLASSIFICATION OF FILING

3. Choose the button next to the classification that best describes this filing. Choose only one.

☒ a. Assignment of Section 214 Authority

An Assignment of an authorization is a transaction in which the authorization, or a portion of it, is assigned from one entity to another. Following an assignment, the authorization will usually be held by an entity other than the one to which it was originally granted. (See Section 63.24(b).)

☐ b. Transfer of Control of Section 214 Authority

A Transfer of Control is a transaction in which the authorization remains held by the same entity, but there is a change in the entity or entities that control the authorization holder. (See Section 63.24(c).)

☐ c. Notification of Pro Forma Assignment of Section 214 Authority (No fee required)

☐ d. Notification of Pro Forma Transfer of Control of Section 214 Authority (No fee required)

Date of Consummation: Must be completed if you select c or d.

Note: If the Section 214 Authorization Holder whose authority is being assigned or transferred does not have an "ITC" File No. under which it is operating, contact the Help Desk for assistance before proceeding further with this application. You cannot enter an "ITC-ASG" or "ITC-T/C" File No. in response to this question. Your response must specify one or more "ITC" File Nos. Relevant "ITC-ASG" or "ITC-T/C" File Nos. should be listed only in Attachment 1 in response to Question 10.

[illegible]

Name:	Empire State Independent Network	Phone Number:	518-689-4557
DBA Name:	Independent Optical Network	Fax Number:	518-689-4569
Street:	120 State St	E-Mail:	dallen@i-o-n.com
City:	Albany	State:	NY
Country:	USA	Zipcode:	12207
Attention:			

6. Name of Assignor / Transferor

Name: Empire State Independent Network **Phone Number:** 518-689-4557

DBA Name: Independent Optical Network **Fax Number:** 518-689-4569

Street: 120 State St **E-Mail:** dallen@i-o-n.com

City: Albany **State:** NY

Country: USA **Zipcode:** 12207

Attention: Ms Debbie Allen

7. Name of Assignee / Transferee

Name: ION HoldCo, LLC

Phone Number: 802-460-9123

DBA Name:

Fax Number: 802-460-8123

Street: 5 Rockingham St.

E-Mail: rkendall@sover.net

City: Bellows Falls

State: VT

Country: USA

Zipcode: 05101

Attention: Richard Kendall

8a. Is a fee submitted with this application?

- ☒ If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).
☐ Governmental Entity ☐ Noncommercial educational licensee ☐ Notification of Pro Forma (No fee required.)
☐ Other (please explain):

8b. You must file a separate application for each legal entity that holds one or more Section 214 authorizations to be assigned or transferred.

Fee Classification CUT – Section 214 Authority

9. Description (Summarize the nature of the application.)

(If the complete description does not appear in this box, please go to the end of the form to view it in its entirety.)

Joint application to assign the International and Domestic Section 214
Authorizations of Empire State Independent Network, LLC dba
Independent Optical Network to ION HoldCo, LLC

10. In Attachment 1, please respond to paragraphs (c) and (d) of Section 63.18 with respect to the assignor/transferor and the assignee/transferee. Label your response "Answer to Question 10".

11. Does any entity, directly or indirectly, own at least ten (10) percent of the equity of the assignee/transferee as determined by successive multiplication in the manner specified in the note to Section 63.18(h) of the rules?

☒ Yes ☐ No

If you answered "Yes" to this question, provide in Attachment 1, the name, address, citizenship, and principal businesses of each person or entity that directly or indirectly owns at least ten (10) percent of the equity of the assignee/transferee, and the percentage of equity owned by each of those persons or entities (to the nearest one percent). Label your response "Answer to Question 11."

12. Does the assignee/transferee have any interlocking directorates with a foreign carrier?

☒ Yes ☐ No

If you answered "Yes" to this question, identify each interlocking officer/director in Attachment 1. (See Section 63.09(g).) Provide the name and position/title of the individual or entity, the name of the foreign carrier, and the country in which the foreign carrier is authorized to operate. Label your response: "Answer to Question 12."

13. Provide in Attachment 1 a narrative of the means by which the proposed assignment or transfer of control will take place. In circumstances of a substantial assignment or transfer of control pursuant to Section 63.24(e), where the assignor seeks authority to assign only a portion of its U.S. international assets and/or customer base, please specify whether the assignor requests authority to continue to operate under any or all of its international Section 214 File Nos. after consummation; and, if so, please specify in Attachment 1 each File No. it seeks to retain in its own name. Label your response "Answer to Question 13."

Note: The assignor may retain any or all of its international Section 214 File Nos. In that case, the assignor will continue to hold the international section 214 authorizations that it specifies in response to this question. The ITC-ASG File No. that the Commission assigns to this application will, when granted, constitute Commission authorization of the proposed assignment of assets and /or customers from the assignor to the assignee. Unless Commission grant of the assignment application specifies otherwise, the assignee may provide the same services on the same routes as permitted under the assignor's Section 214 authorization(s), and the assignee may provide such service to any customers it may obtain in the ordinary course of business.

If this filing is not a notification of a pro forma assignment or pro forma transfer of control, please respond to Questions 14-20 below. (See Section 63.24(d).) Otherwise, you may proceed to Question 21 below.

14. Check "Yes" below if the assignee is a foreign carrier or if, upon consummation of the proposed assignment or transfer of control, the Section 214 holder would be affiliated with a foreign carrier. (See Section 63.18 (i).) The terms "foreign carrier" and "affiliated" are defined in Section 63.09 (d) & (e) of the rules respectively. ☒ Yes ☐ No

If you answered "Yes" to this question, please specify in Attachment 1 each foreign country in which the assignee is a foreign carrier or in which the Section 214 holder, upon consummation, would be affiliated with a foreign carrier. Label your response, "Answer to Question 14."

15. If this application is granted and the proposed assignment or transfer is consummated, would the Section 214 holder be authorized to provide service to any destination country for which any of the following statements is true?

☒ Yes ☐ No

- (1) The Section 214 holder is a foreign carrier in that country; or
- (2) The Section 214 holder controls a foreign carrier in that country; or
- (3) Any entity that owns more than 25 percent of the Section 214 holder, or that controls the Section 214 holder, controls a foreign carrier in that country.
- (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the Section 214 holder and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.

If you answered "Yes" to this question, please specify in Attachment 1 each foreign carrier and country for which any of the above statements would be true. Label your response, "Answer to Question 15."

16. If you answered "Yes" to question 14, do you request classification of the Section 214 holder as a "non-dominant" carrier, upon consummation of the proposed transaction, between the United States and any or all countries listed in response to Question 14? See Section 63.10 of the rules.

☒ Yes ☐ No

If you answered "Yes" to this question, you must provide information in Attachment 1 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules on each U.S.-destination country route where it would be a foreign carrier, or would be affiliated with a foreign carrier and for which you request non-dominant classification. Label your response, "Answer to Question 16."

17. If you answered "Yes" to question 14 and you have not provided information in response to Question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules on each U.S.-destination route where it would be a foreign carrier, or be affiliated with a foreign carrier, check "Yes" below to certify that the assignee/transferee agrees to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in the provision of international service between the United States and any foreign country(ies) for which you have not provided the required information.

☐ Yes, I certify that I agree to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in my provision of international service between the United States and the following foreign country(ies):

☐ No, Does not apply.

18. If you answered "Yes" to question 15, and if you have not provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10 of the rules in its provision of service to each of the countries identified in response to question 15, the Section 214 holder may not be eligible to provide international telecommunications service between the U.S. and each such country following consummation of the assignment or transfer. In order to determine whether the public interest would be served by authorizing service on these U.S.-destination country routes, the assignee/transferee must provide information, in Attachment 1, to satisfy one of the showings specified in Section 63.18(k) of the rules. Label your response, "Answer to Question 18."

19. If the assignee, or the Section 214 holder that is the subject of this transfer of control application, is a provider of Commercial Mobile Radio Services, you need not answer this question.

If any of the Section 214 authorization(s) that would be assigned or transferred, authorize the Section 214 holder to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country listed in response to question 14, and unless you have provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non-dominant classification under Section 63.10(a)(3) of the rules for each country, check "Yes" below to certify that the assignee/transferee will file the quarterly traffic reports required by Section 43.61(c) of the rules; and/or state in Attachment 1 that the foreign carrier(s) for which the applicant has not made a showing under Section 63.10(c)(3) do(es) not collect settlement payments from U.S. international carriers. (See Section 63.18(l).)

☒ Yes, I certify that I agree to comply with the quarterly traffic reporting requirements set forth in section 43.61(c) of the rules.

20. If the applicant desires streamlined processing pursuant to Section 63.12 of the rules, provide in Attachment 1 a statement of how the application qualifies for streamlined processing. (See Section 63.18(p).) Note that, if the application is being filed in connection with a sale of assets or reorganization of a carrier or its parent pursuant to the U.S. bankruptcy laws, the application may not be eligible for streamlined processing until final bankruptcy court approval of the proposed sale or reorganization.

Applicant certifies that its responses to questions 21 through 25 are true:

21. The assignee/transferee certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future. ☒ Yes ☐ No

22. By signing this application, the undersigned certify either (1) that the authorization(s) will not be assigned or that control of the authorization(s) will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to the notification procedures for pro forma transactions under Section 63.24 of the rules. The assignee/transferee also acknowledges that the Commission must be notified by letter within 30 days of a consummation or of a decision not to consummate. (See Section 63.24(e)(4).) ☒ Yes ☐ No

23. If this filing is a notification of a pro forma assignment or transfer of control, the undersigned certify that the assignment or transfer of control was pro forma and that, together with all previous pro forma transactions, does not result in a change in the actual controlling party. ☐ Yes ☐ No
☒ Not a Pro Forma

24. The undersigned certify that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.	<input checked="" type="radio"/> Yes <input type="radio"/> No
25. The assignee/transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.	<input checked="" type="radio"/> Yes <input type="radio"/> No

CERTIFICATION

26. Printed Name of Assignor / Transferor Joseph Calzone	29. Printed Name of Assignee / Transferee Andrew Fienberg
27. Title (Office Held by Person Signing) President	30. Title (Office Held by Person Signing) Treasurer
28. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Joseph Calzone	31. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Andrew Fienberg
<p align="center">WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).</p>	

FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT

The public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERF, Paperwork Reduction Project (3060-0686), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to Judith-B.Herman@fcc.gov. PLEASE DO NOT SEND COMPLETED FORMS TO THIS ADDRESS.

Remember – You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0686.

THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

ATTACHMENT 1

Joint Application to Assign the International and Domestic Section 214 Authorizations of Empire State Independent Network, LLC to ION HoldCo, LLC

This joint application ("Application") seeks Federal Communications Commission ("FCC" or "Commission") consent under Section 214 of the Communications Act of 1934, as amended (the "Act"), for ION HoldCo, LLC ("ION"), a Delaware limited liability company, to acquire certain assets of Empire State Independent Network, LLC ("Empire"), a New York limited liability company, d/b/a Independent Optical Network. Pursuant to Section 63.04(b) of the Commission's rules,¹ the Application encompasses Empire's international Section 214 authorization as well as certain landline services that Empire provides under blanket Section 214 domestic operating authority. As further explained below, grant of the Application serves the public interest.

I. INFORMATION REQUIRED BY SECTION 63.18 OF THE FCC'S RULES REGARDING EMPIRE'S INTERNATIONAL SECTION 214 AUTHORIZATION

Answers to Question 10

Assignor Contact Information

With a copy to:

Debbie Allen
Empire State Independent Network, LLC
80 State St.
Albany, NY 12207
(tele.) 518-689-4557
(fax) 518-689-4569

Keith J. Roland
Herzog Law Firm P.C.
7 Southwoods Boulevard, Suite 301
Albany, NY 12211
(tele.) 518-465-7581
(fax) 518-462-2743

Assignee Contact Information

With a copy to:

Richard Kendall
ION HoldCo, LLC
c/o SoVerNet, Inc.
5 Rockingham Street
Bellows Falls, VT 05101
(tele.) 802-460-9123
(fax) 802-460-8123

Cheryl A. Tritt
Jennifer L. Kostyu
Morrison & Foerster LLP
2000 Pennsylvania Ave., NW, Suite 5500
Washington, DC 20006
(tele.) 202-887-1500
(fax) 202-887-0763

¹ 47 C.F.R. § 63.04(b).

Prior International Section 214 Authorizations

The international Section 214 authorization held by Empire is the subject of this Application, File No. ITC-214-20070426-00164, and authorizes Empire to provide international global telecommunications service on a resale basis pursuant to Section 68.18(e)(2) of the Commission's rules.

Answer to Question 11

Pursuant to Section 63.18(h) of the Commission's rules,² the following ownership information lists the entities directly or indirectly holding a ten percent or greater ownership interest in ION. The direct and indirect ownership of ION also is illustrated in the organizational chart attached as Exhibit A.

Direct Ownership

Name: Sovernet Holding Corporation
Address: 5 Rockingham St.
Bellows Falls, VT 05101
Citizenship: United States
Principal Business: Telecommunications
Percentage Held: 75 percent interest in ION

Name: RLEC Holding Company LLC
Address: 80 State St.
Albany, NY 12207
Citizenship: United States
Principal Business: Telecommunications
Percentage Held: 25 percent interest in ION

Indirect Ownership

Name: Atlantic Tele-Network, Inc.
Address: 10 Derby Square
Salem, MA 01970
Citizenship: United States
Principal Business: Telecommunications
Percentage Held: 96 percent interest in Sovernet Holding Corporation

² *Id.* § 63.18(h).

Name: Cornelius B. Prior, Jr.
Address: c/o Atlantic Tele-Network, Inc.
10 Derby Square
Salem, MA 01970
Citizenship: United States
Principal Business: Chairman of the Board of Atlantic Tele-Network, Inc.
Percentage Held: 37 percent interest in Atlantic Tele-Network, Inc.

No other entity or individual directly or indirectly holds a 10 percent or greater interest in ION.

Answer to Question 12

ION will have two interlocking directorates with foreign carriers. Specifically, Michael Prior and Justin Benincasa, both of whom are Directors of ION, also are Directors of Bermuda Digital Communications, Ltd. ("BDC") and Guyana Telephone & Telegraph Company, Ltd. ("GT&T").

Answer to Question 13

Description of Transaction and Public Interest Statement

Empire, headquartered in Albany, New York, is a consortium of 15 independent rural local exchange carriers (the "RLECs") operating in upstate New York. The RLECs invested in Empire through various intervening affiliates. Using Empire constructed and owned fiber, fiber owned by and leased from the RLECs and third-party leased fiber, Empire has partially assembled a redundant SONET fiber network that will connect more than 60 rural New York State communities and their surrounding areas. Through this network, Empire provides a variety of private line telecommunications, broadband, and Internet backbone services primarily on a wholesale basis to other telecommunications carriers. Following the threatened termination of an essential third-party dark fiber lease for non-payment, Empire filed on December 14, 2007 a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of New York (the "Bankruptcy Court").

As part of Empire's restructuring efforts, several of the RLECs that hold ownership interests in Empire through various intervening affiliates formed RLEC Holding Company LLC, a New York limited liability company ("RLEC HoldCo"). Together, RLEC HoldCo and Sovernet Holding Corporation ("Sovernet") formed ION. As noted above, Sovernet holds a 75 percent ownership interest in ION and RLEC HoldCo holds a 25 percent ownership interest in ION. Empire and ION entered into an Asset Purchase Agreement, executed on May 29, 2008, pursuant to which Empire agreed to sell, and ION agreed to purchase, substantially all of Empire's assets, including network assets, customers and FCC authorizations, as provided therein. Empire and ION have sought approval of the proposed transaction from the Bankruptcy Court and will advise the Commission as soon as such approval is obtained.

Sovernet, headquartered in Bellows Falls, Vermont, provides facilities-based integrated voice and broadband data communications services in Vermont and New Hampshire. Atlantic Tele-Network, Inc. ("ATN"), Sovernet's ultimate parent, headquartered in Salem, Massachusetts, provides various wireline and wireless services principally in the Southwest, Midwest and Northeast United States, including voice, data, television and broadband services, through Sovernet and its other carrier subsidiaries.

The proposed transaction will serve the public interest by promoting competition in New York and ensuring no interruption of service or inconvenience to affected customers. The proposed transaction will provide additional financial resources to allow Empire's SONET fiber network to continue operating in rural New York communities and their surrounding areas. ION, through its members and employees, has the technical, financial and managerial resources and skills to provide quality services to Empire's customers. Furthermore, ION will assume all of Empire's current customer contracts, allowing Empire's customers to continue to receive services at the same rates, terms and conditions as they currently enjoy. The transaction will be virtually transparent to customers in terms of the service they now receive. Sovernet and ATN, through ION, also will be able to strengthen their competitive position against larger telecommunications companies, to the benefit of consumers and the marketplace.

In addition, the proposed transaction poses no risk of competitive harm to the domestic or U.S.-international telecommunications market. The applicants hold only a *de minimis* share of each of the domestic and U.S.-international markets. Accordingly, post-transaction neither ION nor ATN through its indirect ownership of ION will have the ability to adversely affect competition.

Answer to Question 14

ION is not a foreign carrier. As further discussed below, upon consummation of the proposed transaction, ION will become affiliated with foreign carriers in: (1) Bermuda and (2) the Republic of Guyana.

Answer to Question 15

Upon consummation of the proposed transaction, ION will become affiliated with the foreign carriers identified below because ATN, which holds more than a 25 percent ownership interest in each of the following foreign carriers, also will hold more than a 25 percent indirect ownership interest in ION.

Country	Foreign Carrier
Bermuda	Bermuda Digital Communications, Ltd. ("BDC")
Republic of Guyana	Guyana Telephone & Telegraph Company, Ltd. ("GT&T")

Answer to Questions 16 and 18

Pursuant to Section 63.10 of the Commission's rules, ION requests "non-dominant" status upon consummation of the proposed transaction on the routes between the United States and Bermuda and the Republic of Guyana ("Guyana"). The Commission treats Bermuda, an overseas territory of the United Kingdom, as a member of the World Trade Organization ("WTO").³ Further, BDC is not a monopoly provider of communications service and does not hold a 50 percent or more market share in the international transport and local access markets in Bermuda. Accordingly, under Section 63.10(a), ION is presumptively classified as non-dominant on the U.S.-Bermuda route.

Although GT&T is the dominant carrier in Guyana, any international switched services ION may provide on the U.S.-Guyana route will be provided solely through the resale of an unaffiliated U.S. facilities-based carrier's services (either directly or indirectly through the resale of another U.S. resale carrier's services).⁴ Guyana also is a WTO member country. Accordingly, under Section 63.10(a), ION is presumptively classified as non-dominant on the U.S.-Guyana route.

Answer to Question 20

This application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules. ION qualifies for a presumption of non-dominance under Section 63.10(a) of the Commission's rules because it is not affiliated with any foreign carriers in a destination market, except for Bermuda and Guyana. ION also qualifies for a presumption of non-dominance under Section 63.10(a) on U.S.-Bermuda and U.S.-Guyana routes. BDC, its foreign carrier affiliate, is not a monopoly provider and lacks 50 percent market share in the international transport and local access markets in Bermuda. Although ION's foreign carrier affiliate GT&T is dominant in Guyana, a WTO member country, any international switched services ION may provide on the U.S.-Guyana route will be provided solely through the resale of an unaffiliated U.S. facilities-based carrier's services. Thus, the Application qualifies for streamlined processing under the Commission's rules.

II. INFORMATION REQUIRED BY SECTION 63.04 OF THE FCC'S RULES REGARDING EMPIRE'S DOMESTIC OPERATIONS

In support of the applicants' request for consent for ION to acquire the telecommunications assets of Empire, the following information is submitted pursuant to Section 63.04 of the Commission's rules.⁵ Specifically, Section 63.04(b) provides that applicants

³ See *Cable & Wireless USA, Inc.*, 15 FCC Rcd 3050, 3052 (IB 2000).

⁴ ION will notify the Commission at any time it begins to provide such service through the resale of an affiliated carrier.

⁵ 47 C.F.R. § 63.04.

submitting a joint international/domestic Section 214 application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04:

(a)(6) Description of the transaction:

A description of the transaction is set forth in Section I above.

(a)(7) Description of the geographic areas in which the applicants offer domestic telecommunications services, and what services are provided in each area:

Empire has partially constructed a fiber optic cable network across New York State through which it provides domestic private line telecommunications services. ION currently provides no domestic telecommunications services in the United States, but upon consummation of the proposed transaction will provide all of the services that Empire currently provides.

As noted in Section I above, Sovernet provides facilities-based integrated voice and broadband data services in Vermont and New Hampshire. Through its other subsidiaries and affiliates, ATN also provides wholesale wireless voice and data roaming services in Arizona, Colorado, Florida, Kansas, Missouri, Montana, New Mexico, North Dakota, Oklahoma, South Dakota, Utah and Wyoming, and wireless voice, digital cable television, broadband, and voice over Internet protocol telephony services in the U.S. Virgin Islands.

(a)(8) Statement as to how the Application qualifies for streamlined treatment:

The portion of the Application relating to Empire's blanket domestic 214 authority qualifies for streamlined treatment because under the proposed transaction ION and its affiliates collectively: (1) will hold a market share in the U.S. interstate, interexchange market of less than 10 percent; (2) will provide no local exchange services in the U.S.; and (3) are non-dominant with respect to the provision of any telecommunications service in the United States.

(a)(9) Identification of all other Commission applications related to this transaction:

The Application is the only application filed with the Commission that relates to ION's proposed acquisition of Empire's assets.

(a)(10) Statement of whether the applicants request special consideration because either party is facing imminent business failure:

Because Empire currently is in bankruptcy, the applicants request that the Commission grant the Application expeditiously. However, the applicants request no other special consideration.

(a)(11) Identification of any separately filed waiver requests being sought in conjunction with this transaction:

The applicants seek no separately filed waiver requests in conjunction with this transaction.

(a)(12) Statement showing how grant of the Application will serve the public interest, convenience and necessity:

A detailed demonstration of how the grant of the proposed transaction serves the interest, convenience and necessity is set forth in Section I above.

Exhibit A: ION HoldCo, LLC Post-Transaction Organization Chart

